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Talking Points for A	DCI for	NSPG Me	eting on	Persian Gulf	١
National Intelligence Officer for Near East and South Asia			EXTENSION	NO. EP-4349X-89	
				17 September 1987	_
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Talking Points for ADCI NSPG Meeting on Persian Gulf

18 September 1987

Military Prospects: Although the US ship protection regime has been going relatively well, we are by no means out of the woods. Absence of a clash between US and Iranian forces thus far has resulted from a combination of Iranian caution and US restraint, as well as a bit of good luck. While Iran has not attacked US forces directly, they continue with provocations which could have resulted in clashes—and yet may.

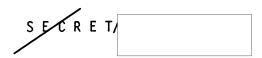
- -- No US-protected vessel since the "Bridgeton" has hit a mine. This has been the result of a combination of effective military operations and good fortune, <u>not</u> a result of Iranian restraint.
- -- Silkworm missiles fired at Kuwait from the Fao Peninsula came close to and could well have struck a US-flag tanker--the "Surf City"--which was at anchor off the Kuwaiti coast. Had this occurred, the US would have been faced with tough decisions. In this instance we definitely benefited from good luck.

In sum, the Iranians are refraining from direct attacks on US targets, but they are continuing activities which, if successful, could reasonably be expected to provoke a US response. US restraint is a double-edged sword, however: it calms the situation in the Gulf--at least temporarily--and buys time for further diplomatic action, but it also may reinforce Tehran's conception of the US as a "paper tiger" and encourage additional Iranian provocations.

With Perez de Cuellar now out of the area, the war in the Gulf will almost certainly heat up again, with increased chances for incidents that will involve the US and--possibly--other countries.

- -- The new mines recently obtained from Libya are a significantly bigger threat to shipping than the old moored mines already used by Iran.
- -- Silkworms are still located in Iranian controlled areas near Kuwait, and more launches can be expected.
- -- Increased naval attacks on vessels in the Saudi trade are likely.

Political/Diplomatic Situation: Prospects for additional UN action are increasingly dim. The Iranians have been very successful in obfuscating their position on UNSC Resolution 598. They have yielded nothing of substance, but have hinted at flexibility sufficiently to play to the desire of a number of states to avoid a new resolution on sanctions.



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-- The Secretary-General got conflicting signals from his contacts in Tehran, and has no idea of what the real Iranian position is on UNSC 598.

- -- Japan, West German, and Italy profess to see some cause for optimism in recent Iranian statements, and are unlikely to support a new UNSC resolution in the near future.
- -- Moscow is still walking both sides of the street. Publicly, there is a lot of talk about improving relations, but there has been remarkably little practical movement.

that Moscow and Tehran have been unable even to reach agreement on a minor joint shipping venture in the Caspian.

-- The Chinese are being singularly unhelpful to US initiatives, and have just signed a new \$200 million arms contract with Iran. Total value of Chinese arms contracts negotiated in the past several months is over half a billion dollars.

The Arab League foreign ministers are scheduled to meet on Sunday to further discuss the situation. Kuwait and Riyadh will push for strong measures against Iran, but no practical steps are likely to result. For a variety of reasons, strong actions being pushed by Saudi Arabia will be opposed by Syria, Libya, Algeria, Oman, and the UAE. With at least five dissenters, no Arab concensus can emerge.

Iranian President Ali Khamenei will be coming to the UN General Assembly session, and is scheduled to address the Assembly on 22 September. His speech will be watched carefully as the "official" Iranian response to UNSC Resolution 598. While we have no indications thus far of what he plans to say, it is probable that his message will be ambiguous, and will be successful in stalling further on a follow-up resolution.

Daniel K. Webster

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